

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

10 In Re:  
11 Katz Interactive Call Processing Patent  
12 Litigation  
13 This document relates to:  
14 Ronald A. Katz Technology Licensing, L.P.,  
15 Plaintiff,  
16 v.  
American Airlines, Inc. et al.,  
Defendants

Case No. MDL 2:07-ML-1816-B-RGK  
(FFMx)

Case No. MDL 2:07-CV-2196-B-RGK  
(FFMx)

**ORDER DENYING IN PART AND  
GRANTING IN PART THE FEDEX  
DEFENDANTS' MOTION FOR  
SUMMARY JUDGMENT**

**DOCKET ENTRY 7659/615**

# I INTRODUCTION

After this Court issued rulings on both joint and individual summary judgment motions in this multidistrict patent litigation, the plaintiff, Ronald A. Katz Technology Licensing, L.P. (“Katz”) appealed. The Federal Circuit’s decision affirmed, vacated, and reversed various rulings. *In re Katz*, 639 F.3d 1303 (Fed. Cir. 2011). The decision resulted in the revival of several claims. Since the defendants never had an opportunity to raise their individual defenses to many of these claims, this Court issued a Case Management Order that permitted the Group B defendants to file a second round of individual summary judgment motions. (DE 7437).

Accordingly, defendants Federal Express Corporation, FedEx Corporation, FedEx Corporate Services, Inc., and FedEx Customer Information Services, Inc. (“FedEx”) filed the current motion for summary judgment. The motion asks this Court for findings of non-infringement with respect to all three remaining claims asserted by Katz. Those claims are claim 18 of U.S. Patent No. 6,292,547 (“the ‘547 patent”), claim 19 of U.S. Patent No. 5,815,551 (“the ‘551 patent”), and claim 34 of U.S. Patent No. 5,974,120 (“the ‘120 patent”). FedEx’s motion also asks this Court for a finding of invalidity with respect to claim 19 of the ‘551 patent based on collateral estoppel.

## II **LEGAL STANDARD**

Summary judgment should be granted “if the pleadings, the discovery and disclosure materials on file, and any affidavits show that there is no genuine issue as to any material fact and that the movant is entitled to judgment as a matter of law.” Fed. R. Civ. P. 56(c); *see Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 247-248 (1986); *see also Karlin Tech., Inc. v. Surgical Dynamics, Inc.*, 177 F.3d 968, 970 (Fed. Cir. 1999). A dispute about a material fact is “genuine” only if “the evidence is such that a reasonable jury could return a verdict for the nonmoving party.” *Id.* A party opposing a properly supported motion for summary judgment “may not rest upon the mere allegations or denials of his pleading, but . . . must set forth specific facts showing that there is a genuine issue for trial.” *Id.* (quoting *First National Bank of Arizona v. Cities Service Co.*, 391 U.S. 253 (1968)). “If the evidence [opposing summary judgment] is merely colorable, or is not significantly probative, summary judgment may be granted.” *Id.* at 249-250 (citations omitted).

### III DECISION

## A. Divided Infringement

## 1. The Accused Systems

Each accused system in this case included a front end interactive voice response platform (“IVR”)—accessible through a toll-free number—that allows callers to use their telephones to interact with computers. The front end IVR platform received calls over the public-switched telephone network (“PSTN”). It then prompted the caller to enter information through touch-tone input. Based on the information received directly from the caller’s input, as well as information received automatically from the PSTN (which can include dialed-number (“DNIS”) and calling number (“ANI”) information), the frontend IVR platform generated queries and forwarded those

1 queries to backend equipment. The backend equipment, which included Intelligent Contact  
2 Management (“ICM”) servers and databases, received and processed the queries from the IVR  
3 and provided responses to those queries back to the frontend IVR platform—which then  
4 developed further prompts or information for transmission to the caller.  
5

6 **2. Divided Infringement**

7 FedEx argues that it cannot be liable for direct infringement because different third party  
8 vendors owned and operated the IVRs. Those parties are AT&T, Tellme and XO  
9 Communications (“XO”). The IVR is one of several components used to allegedly infringe each  
10 of the three asserted claims. Relying on *Centillion Data Sys., LLC v. Qwest Comm's Int'l, Inc.*,  
11 631 F.3d 1279, (Fed. Cir. 2011), FedEx says that the only actor that can be liable for an  
12 infringing “use” of the system is the actor that “put[s] the invention into service, *i.e.*, control[s]  
13 the system as a whole and obtain[s] benefit from it.” *Id.* at 1284. FedEx argues that it is the  
14 telecommunications companies, not FedEx, that initiate the service. Therefore, FedEx concludes  
15 that it cannot be liable for direct infringement.  
16

17 Here, both FedEx and the vendors physically operated (*i.e.* used) different components of  
18 the overall accused system. The Federal Circuit had held that for a party to be liable for direct  
19 patent infringement under 35 U.S.C. § 271(a), that party must commit all the acts necessary to  
20 infringe the patent, either personally or vicariously.” *See Cross Med. Prods., Inc. v. Medtronic*  
21 *Sofamor Danek, Inc.*, 424 F.3d 1293, 1311(Fed.Cir.2005); *Fromson v. Advance Offset Plate,*  
22 *Inc.*, 720 F.2d 1565, 1568 (Fed.Cir.1983). Vicarious liability can be shown in two ways – by  
23 establishing an agency relationship or a contractual relationship. *See Aristocrat Technologies*  
24 *Australia Pty Ltd. v. International Game Technology*, 2013 WL 950711, \*1363 (Fed. Cir. Mar.  
25 13, 2013) (“One party’s direction or control over another in a principal-agent relationship or like  
26 contractual relationship operates as an exception to this general rule, but absent that agency  
27 relationship, vicarious liability does not attach.”).  
28

1 relationship or joint enterprise, we have declined to find one party vicariously liable for another's  
2 actions."); *see also, Akamai Technologies, Inc. v. Limelight Networks, Inc.*, 692 F.3d 1301, 1307  
3 (Fed. Cir. 2012) (*en banc*) ("Absent an agency relationship between the actors or some  
4 equivalent, however, a party that does not commit all the acts necessary to constitute  
5 infringement has not been held liable for direct infringement even if the parties have arranged to  
6 'divide' their acts of infringing conduct for the specific purpose of avoiding infringement  
7 liability.")

8  
9 Katz argues that FedEx is liable for direct infringement because it exercised control over  
10 the entire accused systems. Indeed, the evidence shows that FedEx determined how customers  
11 would interact with the overall system. For example, there is evidence that FedEx wrote the  
12 scripts and determined how calls should be routed. More importantly, Katz points out that AT&T  
13 and XO were contractually bound by FedEx to provide services that used these components.  
14 (Leventhal Decl. Ex. 9 (Emerson Rep.) ¶¶ 69-71, 73-77, 81, 83.) This is precisely the type of  
15 relationship that can show direct infringement by a single party like FedEx.  
16

17 FedEx's reply brief provides three responses. First, FedEx argues that the concept of  
18 vicarious liability does not apply because there is a single user here, the telecommunications  
19 company. Second, FedEx argues that Katz's analysis applies only to method claims, which are  
20 not at issue here. Third, FedEx argues that AT&T and XO are already authorized under a license  
21 from Katz.  
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23 This Court addresses each of these arguments. First, Katz's allegations involve use of  
24 both the front end equipment operated by the third party telecommunications companies and the  
25 back end equipment operated by FedEx. This shows that at least two parties are involved and  
26 that the Federal Circuit jurisprudence on vicarious liability is applicable. Second, FedEx provides  
27 no justification for distinguishing between divided infringement allegations that involve a  
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1 method claim as opposed to use of a system claim. The question for both situations is whether  
2 responsibility can be attributed to a single party. The evidence of contractual relationships  
3 suggests that FedEx may be such a party. Third, this Court has previously denied a summary  
4 judgment motion regarding the AT&T and XO licenses. Thus, the jury still needs to determine  
5 whether any of the accused activity falls within the scope of these third party licenses.  
6

7 Accordingly, this Court DENIES FedEx's motion for summary judgment with respect to  
8 the issue of direct infringement of claim 18 of the '547 patent, claim 19 of the '551 patent, and  
9 claim 34 of the '120 patent.

10 **3. Indirect Infringement**

11 FedEx also seeks summary judgment of indirect infringement. FedEx says that where  
12 there is no direct infringement by a single party, there can be no indirect infringement. This was  
13 the law when the parties briefed this motion. However, the Federal Circuit decided *Akamai*  
14 *Technologies, Inc. v. Limelight Networks, Inc.*, 692 F.3d 1301 (Fed. Cir. 2012) (*en banc*) soon  
15 after the parties finished briefing this motion. *Akamai* overruled earlier cases that "held that in  
16 order for a party to be liable for induced infringement, some other single entity must be liable for  
17 direct infringement." *Id.* at 1306. Since the law has changed, this Court DENIES FedEx's  
18 summary judgment as it relates to the issue of inducement.  
19

20 **B. Non-Infringement**

21 FedEx also argues that it does not infringe claim 34 of the '120 patent and claim 18 of the  
22 '547 patent because the accused systems did not satisfy specific limitations from those claims.  
23

24 **1. Legal Standard – Non-Infringement**

25 In determining whether an allegedly infringing device falls within the scope of the  
26 claims, a two-step process is used: first, the court must determine as a matter of law the meaning  
27 of the particular claim or claims at issue; and second, it must consider whether the accused  
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1 product infringes one or more of the properly construed claims. *Allen Eng'g Corp. v. Bartell*  
2 *Indus., Inc.*, 299 F.3d 1336, 1344 (Fed. Cir. 2002). The second inquiry is a question of fact,  
3 although summary judgment of infringement or non-infringement may nonetheless be  
4 appropriate when no genuine dispute of material fact exists. *Irdet Access, Inc. v. Echostar*  
5 *Satellite Corp.*, 383 F.3d 1295, 1299 (Fed. Cir. 2004) (quoting *Bai v. L & L Wings, Inc.*, 160  
6 F.3d 1350, 1353 (Fed. Cir. 1998)).

8 The patentee bears the burden of proving infringement by a preponderance of the  
9 evidence. *Laitram Corp. v. Rexnord, Inc.*, 939 F.2d 1533, 1535 (Fed. Cir. 1991). This burden can  
10 be met by showing that the patent is infringed either literally or under the doctrine of equivalents.  
11 See *Linear Tech. Corp. v. Impala Linear Corp.*, 379 F.3d 1311, 1318 (Fed. Cir. 2004). To  
12 support a finding of literal infringement, the patentee must establish that “every limitation recited  
13 in the claim appears in the accused product, i.e., the properly construed claim reads on the  
14 accused product exactly.” *Jeneric/Pentron, Inc. v. Dillon Co.*, 205 F.3d 1377, 1382 (Fed. Cir.  
15 2000) (citing *Amhil Enters. Ltd. v. Wawa, Inc.*, 81 F.3d 1554, 1562 (Fed. Cir. 1996)).

17 **2. Claim 34 of the ‘120 patent**

18 Claim 34 of the ‘120 patent is dependent on independent claim 28. Together the claims  
19 recite:

21 28. A telephone call processing system for receiving calls through a telephonic  
22 communication facility from a multitude of terminals in a toll free call mode for  
23 processing data in accordance with an operating process format and involving  
24 digital signals including called number identification signals (DNIS)  
25 automatically provided by said telephonic communication facility, said system  
26 comprising:  
27

28 first response unit means for receiving calls in said toll free call mode wherein  
29 said called number identification signals (DNIS) indicative of at least one of a  
30 plurality of distinct called numbers identifies said operating process format;

31 voice generator means for prompting callers to enter data in response to voice  
32 prompts wherein said data entered by said callers is used to update data for said  
33 callers in a database relating to said callers;

1

qualification means for qualifying at least said calls utilizing said one of said plurality of distinct called numbers in said toll free call mode received by said first response unit to provide qualified calls based upon a test of caller entered identification data including **caller pin-number data based upon limited use**;

4

second response unit means for receiving calls in said toll free call mode wherein called number identification signals (DNIS) indicative of one other of said plurality of distinct called numbers identifies said operating process format;

6

means for concurrently processing calls received by said first response unit means and said calls received by said second response unit for concurrent processing of data in accordance with common operations of said operating process format.

7

9

34. A telephone call processing system according to claim 28, wherein at least select digits of caller telephone numbers are automatically provided by digital signals from the telephonic communication facility.

10

11

(emphasis added)

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Katz has asserted that the accused FedEx services satisfy the “caller pin-number data based upon limited use” limitation in two ways. First, Katz says that when callers entered an account number and a tracking number, those numbers qualified as caller pin-numbers. (*See Katz’s Statement Of Genuine Issue, No. 197.*) Second, Katz said when callers entered a zip code, the zip code also qualified as a caller pin-number. (*See Katz’s Statement Of Genuine Issue, No. 200.*) FedEx asks this Court to make a finding of non-infringement because both types of numbers are not “caller pin-numbers” as required by the patent.

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With respect to the account and tracking numbers, FedEx argues that Katz’s expert, Dr. Lucantoni, withdrew those assertions during his June 18, 2008, deposition when he said, “I don’t consider either the account number or a tracking number a PIN number.” (Lucantoni Dep. at 165:13-166:2, Ex 10 to Boyle Decl.) In response, Katz says that Lucantoni misunderstood the question and clarified his answer. Indeed, Lucantoni immediately said that “[a]ccount numbers are also used to limit caller access . . . Tracking numbers are used to limit caller -- limit caller access based on whether the tracking number is associated with multiple shipments.” (Lucantoni

1 Dep. at 167:7-15.) Although Lucantoni's earlier statement certainly could suggest that he did not  
2 believe account numbers and tracking numbers are the required pin-numbers, it is also possible  
3 that Katz is correct and Dr. Lucantoni simply misspoke. In other words, FedEx has simply raised  
4 an issue of credibility that is more appropriate for the jury to decide.  
5

6 With respect to zip codes, FedEx argues that a zip code cannot be the "pin-number"  
7 found in claim 34. Oddly, FedEx does not offer a definition for what a pin-number is. Rather,  
8 FedEx says that Katz has distinguished the term "PIN" from "personal identification data" and  
9 argues that the conventional understanding of the term pin-number does not encompass a zip  
10 code.  
11

12 In response, Katz says that any distinction that this Court made between the term "PIN"  
13 and "personal identification data" is immaterial because this Court was interpreting a different  
14 term for a different patent. The meaning of "personal identification data" within the '707 patent  
15 should not limit what the term "pin-number data" means in the context of the '120 patent. This  
16 Court agrees. More importantly, Katz says that "pin-number data" is simply numerical data used  
17 by a person to access a system or a service. Under that definition, Katz says that zip codes in the  
18 FedEx system are a kind of pin-number data.  
19

20 FedEx's argument turns on the meaning of "pin-number data." But FedEx has not offered  
21 a definition for this term, much less conducted a proper claim construction analysis. On the other  
22 hand, Katz has offered a definition. But its claim construction analysis is sparse. Given the  
23 current record, this Court is unwilling to adopt any definition.<sup>1</sup> However, it is clear that FedEx  
24 has failed to meet its burden of proof and show that a zip code cannot be "pin number data."  
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<sup>1</sup> FedEx may not file another motion seeking a claim construction ruling with this Court. FedEx has already used its  
28 opportunities. This order does not foreclose FedEx from seeking such a ruling from the trial court after this case is remanded.

1       Based on the foregoing, this Court DENIES FedEx's motion for summary judgment as it  
2       relates to the "pin-number data" limitation.

3       **3. Claim 18 of the '547 patent**

4       Claim 18 of the '547 patent is dependent on independent claim 11. Together the claims  
5       recite:

6       11. An analysis control system for use with a communication facility including  
7       remote terminals for individual callers, wherein each of said remote terminals  
8       comprises a telephonic instrument including a voice communication device and  
9       digital input device in the form of an array of alphabetic numeric buttons for  
10       providing data and wherein said communication facility has a capability to  
11       automatically provide terminal digital data, indicating a calling telephone number,  
12       said analysis control system comprising:

13       interface structure coupled to said communication facility to interface said remote  
14       terminals for voice and digital communication and including means to provide  
15       caller data signals representative of data relating to said individual callers  
16       provided from said remote terminals or automatically provided by the  
17       communication facility with respect to the remote terminals prior to the close of  
18       communication with the caller including caller personal identification data  
19       entered by the caller via the digital input device and said terminal digital data  
20       indicative of a calling telephone number;

21       record testing structure connected to receive and test said caller data signals  
22       indicative of said terminal digital data representative of said calling telephone  
23       number and said caller personal identification data against previously stored  
24       terminal digital data and caller personal identification data;

25       storage structure for storing certain of said data provided by said individual callers  
26       including **item data for ordering particular items**; and

27       analysis structure for receiving and processing said caller data signals under  
28       control of said record testing structure.

29       18. A control system according to claim 11, wherein the **data identifying the**  
30       **order is number data**.

31       (emphasis added).

32       Katz has accused five different FedEx services of infringing claim 18 of the '547 patent.  
33       They are the so called Tracking, Supplies, Pickup, Revenue, and Network Promter Services.  
34       FedEx raises four primary non-infringement arguments. First, FedEx argues that the Pickup

1 Service did not infringe claim 18 of the ‘547 patent because the term “item data” does not  
2 encompass the provision of services. Second FedEx argues that Katz has failed to provide  
3 sufficient evidence to show that the Tracking Services satisfy the same limitation. Third, FedEx  
4 argues that Katz has failed to provide sufficient evidence to show that the Supplies Services  
5 satisfy “the data identifying the order is number data” limitation. Finally, because Katz’s  
6 allegations against the Network Promoter and Revenue Services rely upon infringement by the  
7 Supplies and Pickup Service, FedEx asks that this Court to declare that these latter two services  
8 do not infringe claim 18 either. We address each of these arguments in turn.

10 **a. Pickup Service**

11 Using the Pickup Service, callers could input purchase orders. An order included a  
12 certain quantity of packages to be picked up by FedEx. This value was received and stored in the  
13 FedEx system. According to Katz, the number of packages satisfies the “item data for ordering  
14 particular items.” FedEx argues that the term “item data” does not cover data related to a service.  
15 In other words, FedEx says that “ordering particular items” is different than requesting a service  
16 to be performed.

17 This dispute revolves around a question of claim construction.<sup>2</sup> FedEx asks this Court to  
18 interpret “item data for ordering particular items” to refer to “an object for purchase.” Katz  
19 disagrees with FedEx’s claim construction and argues that the claim refers to any article or unit.  
20 Under this interpretation, the accused system satisfies the “item data for ordering particular  
21 items” limitation because the accused systems stored the number of packages (*i.e.* articles) that  
22 FedEx would pick up.

23 In support of its interpretation, FedEx points out that during the reexamination of the  
24 ‘547 patent Katz argued that the “‘item data’ must be interpreted as an object for purchase.”

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28 <sup>2</sup> The parties did not ask the Court to construe this term in the earlier claim construction proceedings.

1 (September 26, 2006 Response by Patent Owner After Second Office Action at 18, Ex. 19 to  
2 Boyle Decl.) Relying on this evidence, FedEx asks this Court to limit the items covered by claim  
3 18 to those items for purchase. In response, Katz points out that the Patent Office actually  
4 rejected Katz's earlier position and held that “[t]here is nothing in the claim term ‘item data’ and  
5 nothing in the Specification that indicates that the item is restricted to an item to be purchased.”  
6 (See March 31, 2010 Board of Patent Appeals and Interferences Decision on Appeal at 27-28,  
7 Ex. 20 to Boyle Decl.) Moreover, Katz argues that claims should not be limited to the  
8 embodiments disclosed by the specification. *See Phillips v. AWH Corp.*, 415 F.3d 1303, 1323  
9 (Fed. Cir. 2005) (*en banc*) (“[A]lthough the specification often describes very specific  
10 embodiments of the invention, we have repeatedly warned against confining the claims to those  
11 embodiments.”). Accordingly, Katz asks the Court to adopt the broader claim construction that  
12 the Patent Office eventually took.

13 In this case, this Court sides with Katz. The language of claim 18 does not limit the items  
14 to those items that are for purchase. Moreover, there is nothing in the specification that suggests  
15 that the invention was intended only for these kinds of items. Accordingly, this Court will use the  
16 same claim construction that the Patent Office did and interpret “item data” to mean  
17 “information related to the article or unit.” Given this interpretation, a reasonable jury could  
18 conclude the limitation encompasses a service like FedEx’s Pickup Service. Accordingly, this  
19 Court DENIES FedEx’s motion for summary judgment for non-infringement as it relates to  
20 FedEx’s Pickup Services and claim 18 of the ‘547 patent.

21 **b. Tracking Service**

22 FedEx also argues that Katz failed to provide any evidence that the Tracking Service  
23 satisfied the “data identifying the order is number data” limitation of claim 18. Oddly, Katz’s  
24 opposition brief did not address this point. Moreover, Katz’s Statement of Genuine Issues also

1 failed to identify any evidence suggesting that this limitation was present in the accused Tracking  
2 Service. Instead, Katz only says that FedEx does not cite to the “remaining record.” Paragraphs  
3 221 and 222 are reproduced to demonstrate the problem with Katz’s response.  
4

Defendants’ Assertions	Plaintiff’s Response
5 (221) RAKTL has not provided any evidence 6 indicating how element 547_11[d] reads on any use of the accused “Tracking” service. 7 Boyle Ex. 8 (Lucantoni Rpt. ¶ 352).	Disputed. FedEx cites only the expert report, not the remaining record.
8 (222) RAKTL has not provided any evidence 9 indicating how element 547_18 reads on any use of the accused “Tracking” service. Boyle Ex. 8 (Lucantoni Rpt. ¶ 362).	Disputed. FedEx cites only the expert report, not the remaining record.

10  
11 Katz has the obligation of identifying any evidence that would suggest infringement.  
12 Having failed to do so, this Court has no choice but to GRANT FedEx’s summary judgment as it  
13 relates to the accused Tracking Service.

14 **c. Supplies Service**

15 The Supplies Service permitted callers to order supplies such as envelopes and labels.  
16 The caller entered the particular number of supply items the caller desired to purchase. The  
17 FedEx system received this number and stored it in the customer’s file. According to Katz, the  
18 number of supply items satisfied the item data limitation. But FedEx’s summary judgment  
19 motion argues that Katz has failed to provide sufficient evidence to show that the number of  
20 items also satisfied the additional language of claim 18. Claim 18 requires that “the data  
21 identifying the order is number data.” FedEx says that Katz has offered no evidence suggesting  
22 that the number of supply items *identified* the order as required by claim 18.  
23

24 This Court agrees with FedEx. Katz’s opposition did not address this particular point.  
25 Instead, it mechanically pointed to Dr. Lucantoni’s Expert Report (Ex. 7 to Leventhal Decl.).  
26 Unfortunately, Lucantoni’s report is equally unhelpful. Paragraph 362 merely says that “FedEx’s  
27 accused system(s) used number data to identify the order. See, for example, Scenario Steps 1.15-  
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1 1.16, 2.13-2.16, 4.5, 4.6, and 5.4.” But only Scenario Steps 1.15 and 1.16 relate to the Supplies  
2 Service. Those steps only discuss whether the customer has ordered an acceptable quantity of  
3 supplies. There is nothing in those passages that discusses how the Supplies Service might  
4 satisfy the “data identifying the order is number data” limitation. Given Katz’s failure to identify  
5 any relevant evidence to support its infringement allegations, this Court GRANTS FedEx’s  
6 summary judgment as it relates to the accused Supplies Service.  
7

8 **d. Network Prompter and Revenue Services**

9 Both parties agree that Katz’s accusations against the Network Prompter and Revenue  
10 Services rely on its infringement allegations against the Supplies and Pickup Services. Since this  
11 Court DENIED FedEx’s motion with respect to the Pickup Services, FedEx’s motion for  
12 summary judgment against the Network Prompter and Revenue Services is also DENIED.  
13

14 **C. Invalidity, Claim 19 of the ‘551 Patent**

15 FedEx asks this Court to apply collateral estoppel to claim 19 of the ‘551 patent and find  
16 that Katz is estopped from challenging the obviousness of this claim. However, claim 19 has not  
17 previously been found invalid. Instead, FedEx relies on the invalidity findings of several related  
18 claims. Specifically, FedEx points to (1) a final determination that independent claim 14 of the  
19 ‘551 patent has been cancelled as anticipated by the Yoshizawa reference;<sup>3</sup> (2) a final  
20 determination that claim 170 of the U.S. Patent No. 5,561,707 (“the ‘707 patent”) was obvious in  
21 view of the Yoshizawa and Moosemiller reference;<sup>4</sup> and (3) this Court’s earlier finding that  
22 claim 31 of the U.S. Patent No. 6,335,965 (“the ‘965 patent”) was obvious in view of Yoshizawa  
23 and the Szlam patent.<sup>5</sup>  
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25  
26 <sup>3</sup> This determination was made by the United States Patent and Trademark Office (“USPTO”) during a  
27 reexamination proceeding.

<sup>4</sup> This determination was also made by the USPTO during a different reexamination proceeding.

<sup>5</sup> This finding was affirmed by the Federal Circuit on appeal.

1 FedEx argues that if collateral estoppel is applied to these three determinations, Katz has  
2 no room to challenge a finding of obviousness for claim 19. To illustrate this argument, the table  
3 below shows how these three determinations supposedly dispose of each limitation from claim  
4 19.

14. [14a] An analysis control system for use with a communication facility including remote terminals for individual callers, wherein each of the remote terminals comprises a telephonic capability including voice communication means and digital input means in the form of an array of alphabetic numeric buttons for providing data, the analysis control system comprising:	5 Patent Office finds that claim 14 was anticipated by Yoshizawa.
11 [14b] interface structure coupled to the 12 communication facility to interface the 13 terminals for voice and digital communication 14 and including structure to provide signals representative of data developed by the 15 terminals;	Patent Office finds that claim 14 was anticipated by Yoshizawa.
16 [14c] voice generator structure selectively 17 coupled through the interface structure to the 18 terminals for providing vocal operating 19 instructions to individual callers;	Patent Office finds that claim 14 was anticipated by Yoshizawa.
20 [14d] record memory connected to the 21 interface structure for updating a file and 22 storing data relating to certain individual 23 callers;	Patent Office finds that claim 14 was anticipated by Yoshizawa.
24 [14e] qualification structure to access the 25 record memory to test key number data 26 provided by the individual callers to ensure 27 that the key number data is valid;	Patent Office finds that claim 14 was anticipated by Yoshizawa.
28 [14f] generator structure selectively coupled to the interface structure and the record memory for providing computer generated numbers to the individual callers and storing the computer generated numbers in the record memory; and	Patent Office finds that claim 14 was anticipated by Yoshizawa.
[14g] analysis structure connected to the record memory for processing at least certain of the data relating to certain individual callers subject to qualification by the qualification structure.	Patent Office finds that claim 14 was anticipated by Yoshizawa.
18. A control system according to claim 14, further including means to control processing	Patent Office finds that claim 170 of the '707 patent is obvious in view of a combination of

1	formats of the analysis structure in accordance 2 with signals automatically provided by the 3 communication facility indicative of one of a 4 plurality of called numbers (DNIS).	Yoshizawa and Moosemiller. Claim 170 5 contains similar language to claim 18.
6	19. A control system according to claim 18, 7 wherein the data relating to certain individual 8 callers includes calling number identification 9 data for certain individual callers automatically 10 provided by the communication facility.	This Court finds that claim 31 of the '965 11 patent is obvious in view of a combination of 12 Szlam and Yoshizawa. Claim 31 contains 13 similar language to claim 19.

14 Katz argues that collateral estoppel does not apply because the issues decided in these  
15 three prior determinations are not the same as those present now. Indeed, to establish collateral  
16 estoppel, FedEx must show: "(1) the *same* issue of fact or law; (2) was actually litigated and  
17 determined in the former proceeding; (3) the issue was actually decided by a valid and final  
18 judgment; (4) the determination of the issue was necessary to the judgment; and (5) the party  
19 against whom collateral estoppel is asserted had a full and fair opportunity to litigate the issue."

20 *Security People, Inc. v. Medeco Security Locks, Inc.*, 59 F. Supp 2d 1040, 1044 (N.D. Cal. 1999)  
21 (citing *Kamilche Co. v. United States*, 53 F.3d 1059, 1062 (9<sup>th</sup> Cir. 1995)) (emphasis added).

22 Katz argues that the issues decided in these earlier determinations are different than those  
23 at stake here. Consequently, Katz concludes that collateral estoppel does not apply. Although this  
24 Court is not convinced that all the distinctions Katz makes are correct, one of them clearly  
25 disposes of FedEx's collateral estoppel argument. Katz points out that FedEx's current argument  
26 relies on a different combination of prior art than any of the earlier determinations. FedEx is  
27 asking that this Court find that claim 19 is obvious in view of a combination of three different  
28 prior art references, Yoshizawa, Szlam and Moosemiller. Although the prior determinations  
combined two of these references in different combinations, none of the prior determinations  
found that there was a motivation to combine all three references. Accordingly, the issues present  
here are different from the earlier proceedings. Therefore, collateral estoppel does not apply.

1 Based on the foregoing, this Court DENIES FedEx's summary judgment as relates to the  
2 invalidity of claim 19 of the '551 patent.  
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4 **IT IS SO ORDERED.**

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6 DATED: June 12, 2013  
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Honorable R. Gary Klausner  
United States District Judge

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